

OFFICE OF CITY CONTROLLER

**CITY OF HOUSTON
INTER OFFICE CORRESPONDENCE**

To Mayor Bill White
City Council Members

From Annise D. Parker
City Controller

Date June 24, 2004

Subject **May 2004 Financial Report**

Attached is the Monthly Financial and Operations Report for the period ending May 31, 2004.

GENERAL FUND

Total General Fund revenue projections have increased by \$1.1 million. This is mainly due to increases in our sales tax and Municipal Courts fines and forfeits estimates as follows:

- The sales tax revenue projection is \$346.4 million, or \$0.5 million more than last month. Our projection is based on year-to-date collections, which included an April receipt from the State that was 6% higher than the same period last year. For the remainder of FY 04 we are projecting a 4% increase over FY 03 sales tax revenues.
- The Municipal Courts fines and forfeits projection is \$44.5 million, or \$0.5 million over last month's estimate. This is based on year-to-date receipts.
- In addition, we have raised our revenue estimate for interest by \$300,000 and decreased our estimate for miscellaneous other by \$200,000 based on year-to-date information.

Total General Fund expenditure projections have decreased by \$1.5 million. This is mainly due to our recognition of changes made by the administration last month that we had not had the opportunity to substantiate before the April MFOR was finalized. The remainder of the decrease (about \$250,000) is comprised of numerous departmental and general government true-ups that are expected at this time of the year.

ENTERPRISE FUNDS

Aviation reflects a net decrease in Operating Revenues of \$225,000. This is mostly attributed to an increase of \$3.7 million in Building and Ground Area revenues and a decrease of \$1.27 million and \$2.87 million in Landing Area/Parking and Concession revenues respectively. Operating expenses are up \$1.57 million due to increases in personnel costs.

C&E Operating Revenues reflect a net decrease of \$83,000 due to an increase in Facility Rentals of \$756,000 and a decrease in Parking revenues of \$839,000. Non-Operating Revenues for Hotel Occupancy Taxes are up by \$600,000 due to higher than expected year-to-date collections.

Water and Sewer reflects an increase in Operating Revenues of \$772,000 resulting from an increase of \$400,000 in Penalty revenues and \$372,000 in other revenues. Non-Operating revenues (other) are up \$251,000.

HIGHLIGHTS OF THE BOND STATUS REPORT


COMMERCIAL PAPER	Drawdowns FY04 (in millions)	Drawdowns in May (in millions)	Increased Authorization/ (Refunded) (in millions)	Amount Available to be Drawn (in millions)	Amount Outstanding (in millions)
General Obligation					
<i>(Series A&B)</i>					
<i>Public Improvement Bonds</i>	\$48.00	\$3.50	(\$69.00)	\$59.00	\$319.30
<i>(Series C)</i>	\$2.40	\$0.00	(\$45.90)	\$0.00	\$0.00
<i>Equipment</i>	\$3.10	\$0.00	(\$19.10)	\$0.00	\$0.00
<i>Storm & Overlay</i>					
<i>(Series D)</i>	\$57.00	\$0.00	\$110.00	\$205.00	\$70.00
<i>(Series E)</i>					
<i>Downtown Streetscape</i>	(\$0.10)	\$0.00	\$0.00	\$0.10	\$5.40
<i>Equipment</i>	\$19.10	\$2.00	\$9.50	\$59.90	\$19.10
<i>Metro Street Projects</i>	\$10.00	\$5.00	\$63.00	\$53.00	\$10.00
<i>Cotswald Project</i>	\$1.00	\$0.00	\$7.50	\$6.50	\$1.00
Water and Sewer	\$270.00	\$0.00	\$0.00	\$214.75	\$685.25
<i>(Series A&B)</i>					
Aviation	\$20.00	\$20.00	\$0.00	\$280.00	\$20.00
<i>(Series A,B, & C)</i>					
Convention & Entertainment	\$0.00	\$0.00	\$0.00	\$52.50	\$22.50
<i>(Series A)</i>					

The City's practice has been to maintain no more than 20% of the total outstanding debt for each type of debt in a variable rate structure.

As of May 31, 2004, the ratio for each type of outstanding debt was:

General Obligation	20.9%
Water and Sewer	16.9%
Aviation	16.9%
Convention & Entertainment	27.1%

Respectfully submitted,



Annise D. Parker
City Controller